



EVERYBODY MATTERS

## **Exhibit 2: Community Investment Plan (CIP) Update 2018 – 2021**

**South Middlesex Opportunity Council Inc.**

**(Please find accomplishments listed in the Statement of Progress 2017)**

### **SECTION 1: COMMUNITY TO BE SERVED BY THE ORGANIZATION**

Founded in 1965 in Framingham, Massachusetts (MA) SMOC is a nonprofit corporation with a 501(C)(3) federal tax designation; a federally designated Community Action Agency (CAA) for the MetroWest and Blackstone Valley regions; a statewide provider of low-income housing; a Community Housing Development Organization (CHDO); a Regional Administrative Agency (RAA); a part of the Regional Housing Network (RHN) and, a certified Ch.40H statewide Community Development Corporation (CDC). SMOC administers over 60 programs through diverse and dedicated staff of 730 human service workers (348 FT and 413 PT) and 375 volunteers and college interns. SMOC's FY18 projected budget is \$97,811,064.

SMOC's 2017 Client Survey, prepared for the Department of Housing and Community Development (DHCD) reports SMOC served 46,778 low-income individuals including 33,000 families and 13,872 children under the age of 18. Demographics: 41% Male, 59% Female. Race: 57% White, 15% Black/African American, 22% Other, 5% Multi-Race 1% Asian, 45% Hispanic and 20% Disabled. Almost 70% of families served were single parent households, 80% of these households were female-headed.

SMOC's mission is to improve the quality of life of low-income and disadvantaged individuals and families by advocating for their needs and rights; providing services; educating the community; building a community of support; participating in coalitions with other advocates and searching for new resources and community development partnerships. Central to our mission is working with individuals and families to maximize self-sufficiency and economic independence, especially for the most vulnerable in our society including those with disabilities and the homeless.

As a CAA, SMOC provides social services support and subsidized housing programs to low-income individuals and families. These programs include Head Start and Child Care, Fuel Assistance, HEARTWAP, First-time Home Buyer, Rental Assistance, Individual and Family Shelter and Housing, High School Equivalency Diploma (HiSET) (Formerly GED), English as a Second Language (ESL), Workforce Development, Microloan Fund, WIC nutrition services, Behavioral Health, Substance Abuse Treatment, and Domestic Violence treatment services.

In 1986, SMOC created a wholly owned subsidiary, the South Middlesex Non-Profit Housing Corporation (Housing Corporation) to respond to the local and statewide crisis of affordable housing. The mission of the Housing Corporation is to preserve and improve its existing affordable housing stock and to seek new affordable housing opportunities for low-income and disadvantaged individuals. The Housing Corporation addresses the acute need for safe, decent and affordable housing for low-income families, individuals and disabled adults, statewide. The Housing Corporation focuses investing in redeveloping substandard and distressed properties to create housing opportunities for low-income people and improve neighborhoods.

SMOC's Housing Corporation has created a unique and successful approach to serving the needs of low-income households by integrating case management and connections to SMOC's wrap around services and community based support services with rental units, with the goal of tenants sustaining stable housing and supporting self-sufficiency.

The real estate holdings have grown to include 2,019 low-income rental units owned and managed by the agency with concentrations in the Framingham, Worcester, Springfield and Lowell regions. In the past three years we have developed 97 new units of housing. SMOC is currently working on projects that will result in the production of 126 new units of housing and the preservation of 234 units of housing. (Attachment A, Summary of SMOC's Real Estate Portfolio and Attachment B, Summary of Properties in Development.)

SMOC is considered a mid-size business and is a major employer of low-income and disadvantaged individuals. SMOC prioritizes employing its housing residents and program participants. This is made possible through the Ready, Willing & Able (RWA) program. SMOC created RWA in 2004 as a social enterprise to provide homeless and chronically unemployed individuals with job readiness training through employment opportunities, with support, in day-labor jobs within SMOC's office and residential property maintenance departments, for building repair and refurbishing projects and administration positions, in lieu of contracting these services out.

### **MetroWest and Blackstone Valley – Primary Service Area**

SMOC's primary service area reflects the 10 towns of its origin as a CAA: Ashland, Bellingham, Framingham, Holliston, Hopkinton, Marlborough, Natick, Northbridge, Southborough and Wayland. The total population is 238,713, of which 3.5% of the population is below poverty and 5.3% of the population receives SNAP.

The following chart depicts some economic indicators within SMOC's primary service area:

Economic Indicators within SMOC's Primary Service Area					
City/Town	Population	Unemployment Rate	Poverty Rate	Median Household Income	% w/Food Stamps/SNAP Benefits in past 12 months
Ashland	15,593	2.8%	3.9%	\$102,593	4.1%
Bellingham	16,332	3.4%	0.7%	\$81,744	6.5%
Framingham	68,443	2.8%	11.5%	\$68,219	10.3%
Holliston	13,547	2.9%	3.9%	\$108,869	4.4%
Hopkinton	14,923	3.4%	3.0%	\$138,551	3.0%
Marlborough	38,499	2.8%	7.3%	\$71,790	8.2%
Natick	33,006	2.6%	4.1%	\$100,467	3.1%
Northbridge	15,707	33.7%	7.7%	\$72,550	9.5%
Southborough	9,767	3.1%	3.5%	\$143,916	2.1%
Wayland	12,994	2.8%	4.6%	\$145,266	2.1%

Source: US Census 2010, 2015 American Community Survey and MA Executive Office of Labor and Workforce Development

Framingham is a town with strong ethnic and racial diversity. The US 2011-2015 Census American Community Survey indicates Framingham's race/ethnicity at 74.1% White, 7.4% Black, 8.1% Asian and 15.5% Hispanic. 26.5% of the population is foreign born. Framingham is home to substantial and growing communities of Brazilian and Portuguese immigrants. The poverty rate in Framingham is 11.5%, although some of the city's neighborhoods have much higher concentrations of poverty. The poverty rate in US Census tract 3831, where SMOC's headquarters are located, is 20.5% and 10.3% have SNAP benefits. Framingham's median household income is \$68,443.

The high cost of living is a contributing factor for minimum wage workers being at-risk for homelessness or experiencing homelessness. The ACCRA Overall Cost of Living Index for MetroWest, MA is 142.1, meaning that the cost of living in MetroWest is 42% more expensive than the national average. The ACCA Housing Index for the MetroWest region is 199.5, meaning that housing costs are almost double the national average. A single parent earning minimum wage (\$11) makes \$22,800 a year, \$1,760 per month. The median cost for rent in Framingham is \$1,567. As such, low-wage workers are "severely housing cost burdened" spending over 50% of their income on housing and having difficulty affording necessities such as food, clothing, transportation and medical care.



SMOC's primary service area also includes a large region of 57 cities and towns in Central MA that are served by SMOC's energy assistance and rental assistance programs. The fuel (LIHEAP) and weatherization programs assist households in home heating and weatherization costs. The Rental Assistance Program utilizes the MA Rental Voucher Program and Federal Section 8 subsidies to provide direct housing assistance for eligible households by paying landlords directly. Low- to moderate-income residents of the original 10 towns and the larger service region have full access to SMOC Workforce Development, housing and microloan services.

### ***Worcester County, Springfield (Western MA) and Lowell – Secondary Service Areas***

As determined by SMOC's Community Services Block Grant Community Action Plan (CAP), SMOC's service area has expanded into other regions of need, with a "secondary service" area encompassing a variety of cities and towns throughout Central (Worcester), Western (Springfield), and Northeastern (Lowell) MA. These areas are served mainly with respect to housing and community and economic development activities. All three cities are classified as Gateway Cities.

According to the US 2010 Census, Worcester is the largest of the three cities, with a population of 181,045. Springfield has a population of 153,060 and Lowell has a population of 106,519 people. The Census indicates that all three cities reflect strong racial/ethnic diversity; Worcester's race/ethnicity is 69.4% White, 11.6% Black, 6.1% Asian and 20.9% Latino. The Census indicates Springfield's race/ethnicity is 51.8% White, 22.3% Black, 2.4% Asian and 38.8% Hispanic. Lowell's race/ethnicity is 60.3% White, 6.8% Black, 20.2% Asian and 17.3% Hispanic. Of the three Cities, Lowell has the highest median household income at \$48,002, followed by Worcester with a median household income of \$45,472, with Springfield having the lowest median income at \$34,728.

The MA Executive Office of Labor and Workforce Development reports the current unemployment rate is higher in Springfield, 6.9%, followed by Lowell and Worcester, both at 4.2%. Springfield was designated by the US Department of Labor as a Labor Surplus Area FY14 - FY18, a classification given to cities and towns when their unemployment rate is 20% above the national average for a full year. Although unemployment is lower than it has been in the last 15 years, the poverty rate is an indicator that many of the employed hold minimum wage jobs and are not economically self-sustaining. Springfield has the highest poverty rate, 28.7%, followed by Worcester, 20.1% and then Lowell, 17.3%. All three cities have pockets of higher concentrations of poverty within various neighborhoods. This is a clear indicator for the need for job training and certificate training programs to assist low-income residents gain skills and increase their income.

Housing costs are highest in Lowell, where the median cost for rent is \$1,005 as compared this cost for Worcester, \$934 and Springfield, \$823. All three cities have significant numbers of renters spending 30% or more of their income on housing. In Springfield it is 54.3%, in Lowell it is 43.3% and in Worcester it is 39.3%. Households who pay more than 30% of their income on housing are considered "cost burdened" and may have difficulty affording necessities such as food, clothing, transportation and medical care. This is a clear indicator that more affordable housing is necessary in order to prevent or eliminate homelessness.

## **SECTION 2: INVOLVEMENT OF COMMUNITY RESIDENTS & STAKEHOLDERS**

SMOC was founded through the efforts of community activists in the Town of Framingham, almost 52 years ago under the Title II of the Economic Opportunity Act of 1964. Since its founding, SMOC operates and is governed through: 1) the direct involvement of residents in the communities that it serves; 2) as part of a consortium of local, regional and statewide service providers, with whom SMOC shares a common constituency of clients; and 3) engagement with municipal and statewide advocacy groups, planning commissions and state and federal agencies, charged to represent, fully or in-part, the needs of low-income, disadvantage and disabled populations.

Essential to SMOC's planning, operations, effectiveness and accountability is the involvement of a broad cross section of the community in its governing, policy, decision-making and accountability process, SMOC's Board of Directors' is composed of 27 members that bring tremendous diversity of experience to program and policy

development and implementation. (Attachment C: SMOC Board List) One third of the members are representatives of the low-income population who are the recipients of many of our services. Another third are public representatives recommended from SMOC's service communities, and the remaining third are representatives of private business, philanthropic, faith-based, financial, advocacy and other organizations such as the NAACP. This diversity is essential in ensuring SMOC programs are sensitive and responsive to the basic human needs of the communities it serves. Being drawn from the ranks of public and private community leadership, the Board members provide critically important input, advice and direction to the senior management team, including direction regarding the goals, activities, and funding strategies outlined in this CIP. The Board meets monthly for 10 months per year, with a summer recess for the months of July and August.

To deliver culturally competent services, SMOC is dedicated to recruiting and employing a diverse workforce which reflects our service population. SMOC's 2016 Staff Demographic Survey, reports the makeup of SMC's staff is 70% Female, 30% Male, 62% White, 10% African American, 2% Asian, 2% Multi-Race, 23% Hispanic and 1% Disabled. 27% of SMOC's staff is bi-or-multi-lingual.

As a CAA, SMOC prioritizes implements and operates programs for low-income populations through the development of a *Community Action Plan* (CAP). The CAP is a component of the DHCD Community Services Block Grant funding. SMOC's Board adopted the 2018-2021 CAP June 27, 2017. This CIP is largely formulated based on SMOC's most current CAP process. The CAP is the outcome of a comprehensive, collaborative and inclusive process that engages an extensive and diverse array of stakeholders from within and outside the agency, the local communities that we serve and the state as a whole. Bringing stakeholders to the table and participating on boards at the municipal and state level is the only effective way to wage the War on Poverty. Poverty is a multidimensional phenomenon which calls for a comprehensive, integrated holistic approach and solution for its ultimate eradication.

The CAP identifies and prioritizes community needs through a discovery process utilizing three survey tools to effectively engage the community at large, a *Community Needs Survey*, a *Community Organizations Survey*, and an *Internal Needs Assessment*. The *Community Needs Survey* targets clients and residents and assesses existing services and gaps. This survey is administered in two forms, electronically through Survey Monkey and in paper form. This insures that we meet low-barrier participation requirements for clients. Surveys are distributed to Program Managers for dissemination to their clients. The majority of surveys were self-administered but any clients needing assistance were assisted by program staff. In order to obtain the participation of other low-income populations in the service areas, the surveys are distributed to our various community partners. These include Department of Transitional Assistance offices (DTA), Department of Health and Human Services (HHS) and the Salvation Army, among others. The survey includes approximately 44 questions covering demographics, housing, health care, employment, income, safety, childcare and assessment of SMOC services. It is translated into Spanish and Portuguese to reflect the language diversity present in our service area. Hand written responses to the survey are entered in Survey Monkey.

The *Community Organization Survey* targets federal, state, local and private agencies that partner with us to serve the needs of low-income populations. Organizations are requested to describe the populations they serve, identify their geographic service area and classify the nature of the services provided. In terms of community needs, they were asked to rank the need in various sectors such as housing, healthcare, financial and economic concerns, child care, nutrition, domestic violence and transportation. Over 33 organizations are included in the polling.

The *Internal Needs Assessment* consists of an internal *Staff Survey* and *Board Survey* which identifies community needs, organization strengths, weaknesses/threats and opportunities for the agency. This survey is administered through Survey Monkey. All data entry and analysis is completed through Survey Monkey.

The ultimate goal of SMOC's DHCD Community Services Block Grant CAP and this CIP is to move low-income, disadvantaged people toward greater economic and social self-sufficiency. To monitor and evaluate SMOC's goal

achievement with the CAP, goals and objectives are entered in to Results Oriented Management and Accountability (ROMA) Next Generation data base system, DHCD's performance based agency data base system. In order to ensure monitoring for progress, outcome measurements are reviewed and evaluated every 6 months. This presents the opportunity for program revision and improvements to further enhance outcomes. Every 3 years, the CAP plan process is repeated, in its entirety. This repeated timely cycle of client and community input and surveying provides information on current community needs, program usage and emerging community needs.

The CAP and CIP plan requires review and adoption by the SMOC Executive Committee and full Board of Directors. The Board makes final approval of all agency goals, priorities and budgets; and ensures compliance with all conditions of all grants the agency receives. This CIP will come before SMOC's Board for a vote and adoption November 21, 2017. Pursuant to the process of the CAP, this CIP will parallel the same process of development, adoption and monitoring as the CAP. Every 3 years the CIP will be re executed in its entirety.

In addition to the CAP planning process, SMOC engages community residents and stakeholders in a wide range of capacities for their input and guidance regarding SMOC's activities. Some examples follow:

- The Lowell Transitional Living Center (LTLC) and Open Pantry Community Services (OPCS) Advisory Committees: As affiliates of SMOC, LTLC and OPCS fall under the same Board leadership as the rest of the organization. However, both programs maintain separate Advisory Committees that meet monthly and are made up of former clients, residents, stakeholders from their respective communities. These Advisory Committees report to managers and to the Board of Directors and provide guidance on programmatic, fiscal and administrative activities.
- Head Start Policy Council: Made up of Head Start parents and community members, the Head Start Policy Council meets monthly and is charged with providing oversight and management of the Head Start Program.
- SMOC Financial Services (SFS) Loan Fund Advisory Board: The SFS Advisory Board oversees and manages SMOC's Microloan Fund. The SFS Advisory Board is made up of 1 Board Member who represents the low-income community's interests and 4 financial partners.
- Framingham Business Resource Alliance (Alliance): The Alliance was established through a grant from the Commonwealth of MA Executive Office of Housing and Economic Development, *Urban Agenda Grant*. Under the auspices of SMOC Financial Services, SMOC founded and coordinates the Alliance. Its mission is to boost the start-up and growth of low- or moderate-income businesses in the Framingham. Members include the Town of Framingham: Department of Community and Economic Development, Framingham Downtown Renaissance, Framingham State University, MetroWest Legal Services, Middlesex Savings Bank, MutualOne Bank, MassBay Community College, MetroWest Chamber of Commerce and Brazil New England Chamber of Commerce.
- Triage and Assessment Center: During the planning phase of the SMOC's Triage and Assessment Center in Worcester, SMOC convened a series of community meetings specifically to seek input from local residents on the plans for the buildings. The building was sited in a quiet, residential neighborhood rather than in a commercial or retail district, as a result of the input received from these meetings. While the location is within walking distance of public transportation and services, it is also set back, away from the previous downtown location.
- Housing Peer Support Model: Through dozens of property locations throughout the Commonwealth, SMOC receives input from tenants as to the living conditions and activities offered by the properties. SMOC's supportive housing model incorporates the Peer Support Model, whereby the residents at each location meet monthly to discuss and shape their environment. The meeting is run by the Resident Manager, employed by SMOC, and a resident of the property, who relays feedback directly to the appropriate SMOC staff. This creates an ongoing dialogue between SMOC and its tenants allowing SMOC to incorporate tenant feedback into its activities.
- Transition Aged Youth Program (TAY): This is a newly funded, Worcester-based program that is in the start-up phase at SMOC. The focus is on providing housing and wrap-around support services to the growing population of young people experiencing homelessness in greater Worcester. TAY is the direct result of feedback and input from community stakeholders and clients of the Worcester Triage and Assessment Center who let us know, through resident meetings as well as the intake process, that there is a need for targeted services for this vulnerable population of 18-24 year old at-risk and homeless individuals.



- **Client feedback:** Focus groups, peer groups and satisfaction surveys are institutionalized in the development and review of all our programs. Routinely, SMOC conducts focus groups to obtain feedback from program participants and stakeholders regarding program quality, process and performance. Many of our programs, including computer literacy workshops, adult basic education and SMOC Behavioral Healthcare regularly conduct surveys and exit interviews with clients that have accessed these services. This vital feedback helps to shape the programs moving forward.

## SECTION 3: PLAN GOALS

**Goal 1: Sustain and create more opportunities for low-income people to become self-sufficient and economically independent.** Unemployment has disproportionately affected Gateway Cities. The current unemployment rate for the City of Worcester it is 4.2%, for Lowell it is 4.2% and for Springfield it is 6.9%, as compared to the state 3.5% and the US 4.4%. Unemployment has disproportionately affected minorities. For example, the US Bureau of Labor Statistics reports as of September 2017, nationally, the unemployment rate for African Americans is 7.0% and for Hispanics it is 5.5%. For Framingham unemployment is 2.8%, however the unemployed population in the Metro South/West, where Framingham is located, over the age of 45 has grown to 50.1%, as compared to the state, 36.1% and the nation, 31.5%. **BENEFITS:** SMOC's employment readiness, training, job fairs, assistance and placement programs and microloan services decrease community unemployment, grow jobs, expand local economies and provide opportunities for employment for foreign born populations. Program participants acquire the requisite skills to compete effectively in the job market, acquire relevant education, become gainfully employed, and obtain and maintain safe, affordable, stable housing.

**Goal 2: Sustain and create more opportunities in which low-income, disadvantaged and disabled populations' living conditions are improved.** The number of people experiencing homelessness is decreasing due to the success of the Housing First model. According to the US Department of Housing and Urban Development's (HUD) 2016 Point-in-Time (PIT) Count, there were 19,608 people in MA counted as homeless. The 2015 PIT count cited 21,135 individuals counted as homeless. The DHCD EA Report indicates that as of October 24, 2017 there were 44 homeless families sheltered in MA motels. Sober housing is very limited and the demand for it continues to increase due to the opioid epidemic. **BENEFITS:** SMOC seeks to decrease homelessness among individuals and families statewide, through dual activities: a) the expansion of homeless prevention services, rapid rehousing and housing first programs; and, b) preserving existing affordable housing stock and developing new low-income housing options for low-income and disadvantaged population, including those in recovery. Thus, homeless individuals and families will be housed within their communities and can focus on finding employment to support a permanent housing placement for themselves and their families. The children can enroll in school each family member can access much needed health care, including behavioral healthcare. Increased sober housing helps facilitate long-term sobriety for residents.

**Goal 3: Sustain and create more opportunities for low income people to own a stake in their communities.** Low-income, disadvantaged and newcomer populations are often disenfranchised from the mainstream community, planning and government. **BENEFITS:** When given the opportunity to participate, these populations are empowered, enhance self-sufficiency and contribute to the development of their communities as productive community members. With SMOC services assisting low-income people to attain decent housing, livable wages, adult education, child and family development and more, these families and individuals become more engaged in their communities, have involvement with local school systems, become part of the area workforce and thus better integrate and become more ingrained in civic life and activities. In turn, this enhances the overall well-being of the community at large. SMOC also provides opportunities through client empowerment programs including participation on SMOC Board of Directors, Advisory Boards, and the Peer Support Model embedded in our housing programs.

**Goal 4: Sustain and increase partnerships among community providers and supporters of low income people.** SMOC has built a comprehensive network of housing and support programs to meet the needs of low-income people. SMOC does so in partnership with community-based organizations, employers, private, for-profit



companies and federal, state, and local governments, within the communities that we serve. **BENEFITS:** Strategically, this allows SMOC to leverage and link low income people to existing community services and then create new programs to fill gaps in services within a community to improve community based services to effectively provide services to this target population, especially the homeless. Moreover, this reduces duplication of services, decreases program operation costs and strengthens the agency's fiscal capacity.

**Goal 5: Sustain and increase SMOC's capacity to achieve results.** With continued contraction in state and government funding it is imperative for nonprofit organizations to operate efficiently, seek alternative sources of revenue and in many cases affiliate to decrease overhead and continue to provide much needed services to the community. **BENEFITS:** By implementing best practice financial accounting and Internet Technology (IT), SMOC has demonstrated strong administration and programmatic goal attainment, enabling SMOC to continue to be awarded state and federal contracts. Investing in staff enrichment programs improves the quality of service delivery to clients. As SMOC has implemented social enterprises, such as RWA, our low-income clients benefit through employment opportunities. Lastly, in many cases SMOC has preserved and improved community services by affiliating with organizations that were struggling.

**Goal 6: Sustain and create opportunities for low income people to achieve their potential.** The MA Economic Independence Index, 2013, prepared by Crittenton Women's Union documents the income required by individual and families to achieve a fair standard of housing, health, care nutrition and child care. For the state as a whole it is \$28,880. For Middlesex County, where Framingham and Lowell are located it is \$31,416. For Hamden County where Springfield is located it is \$21,540. For Worcester County it is \$22,464. According to the US Census ACA 2011-2015 5-Year Survey, over 28.5% of individuals in Framingham earn less than this amount, annually. In Lowell it is 39.5%. In Worcester it is 31% and in Springfield it is 33.3%. **BENEFITS:** SMOC directly provides connections to public entitlement, private supports, emergency services, asset development, workforce development and child care programs. These connections allow low-income individuals and families to stretch their budgets, weather financial crises, retain and maintain stable housing particularly in communities of higher priced housing, thus, decreasing community issues of homelessness. Connecting low-income individuals and families to Behavioral Health services, provides the support and resources to help this population succeed at work and at home and decreases the cycle of poverty and domestic violence.

**Goal 7: Sustain and create food security opportunities for low-income people.** Project Bread's 2016 *Status Report on Hunger* estimates that 9.7% of all households in MA are struggling with food insecurity. Additionally, 123,615 are struggling with very low food insecurity. With unemployment at a 15-year low, we expect to see a similar decline in food insecurity. But food insecurity is still 24% higher than it was a decade ago. **BENEFITS:** SMOC is an ombudsman for food security programs and resources; WIC, SNAP, a connector to local food kitchens, pantries, the Boston Food Pantry, Lovin' Spoonfuls and to donations of local food products from restaurants and supermarkets. SMOC operates a new Food Security and Nutrition Education program and a Community Meals program described in Section 4, page 10. Also, SMOC partners and provides case management assistance to our community partner, the United Way of Tri-County, which provides meals and food pantry services to several thousand MetroWest households.

#### **SECTION 4: ACTIVITIES TO BE UNDERTAKEN**

SMOC's pursues its goals through the implementation of a variety of programs that are multidimensional and multi-sectoral. Through SMOC's current finance strategy and an allotment of CITC, SMOC seeks to maintain and expand its existing community and economic development programs and services. These programs and new projects are as follows, although existing programs are described by name alone, due to space limitations. (Attachment D, List of SMOC's Programs with Descriptions)

**Goal 1: Sustain and create more opportunities for low-income people to become self-sufficient and economically independent.** *SMOC accomplishes this goal through the following existing programs:*

**Employment Programs:** HiSET, Adult Basic Education for the Workplace, ESL, Serenity Vocational, Green Jobs Academy, Mobile Resource Team, Summer Jobs for Youth, MetroWest Career Center, Women's Transition Program, Ready Willing and Able (RWA), Joan Brack Adult Learning Center, and Individual Placement and Support (IPS).

**Microbusiness Development Services:** SMOC Financial Services.

**New Projects Underway or Scheduled for Implementation:**

- SMOC Financial Services (SFS): Founded in 2016, SFS has a microloan pool funded at \$1.2MM. SFS has offices in Worcester in Framingham. SFS offers microloans up to \$25,000 and pre- and post-loan technical assistance to assist low- and moderate-income entrepreneurs located in Worcester County and MetroWest area, or those located in low-income census tracts in these regions, start, operate and grow a successful business or revitalize an existing struggling business.
- Secure Jobs: This program targets homeless or formerly homeless heads of household to receive skills training and support that will result in living wage jobs. The program can help participants obtain child care, enroll in training and prepare to obtain a better paying job. This program is described further in Section 5.
- Women In Clean Energy: MA Clean Energy sponsored program providing training for 12 women in entry-level marketing and customer service in the clean energy industry.
- Job Fairs: This past year SMOC hosted 68 job fairs. The number of employers ranged from 1 – 20.
- Professional Sales & Customer Service Training: The funding for this program is no longer available.
- Commercial Driver's License Training Program: The funding for this program is no longer available.
- Mobile Resource Team: The funding for this program is no longer available.

Since launching the Microloan Fund, SMOC Financial Service has approved 10 loans, totaling \$160,000 and closed 8 loans, totaling \$137,500. Since the inception of the Green Jobs Academy, 316 low-income / unemployed weatherization installers have graduated; 252 placed in permanent jobs. In its five years of operation, approximately 80 youth have held paid Internships through SMOC's Summer Jobs Program. Since JBALC's inception in 1992, 172 JBALC students have earned their GED/HiSET. Since 2010, the ESL program has helped more than 350 students increase their confidence in speaking English.

**Goal 2: Sustain and create more opportunities in which low-income, disadvantaged and disabled populations living conditions are improved.** *SMOC accomplishes this goal through the following existing programs:*

**Community Improvement and Revitalization Programs:** Family Shelter, Recovery Housing, Housing for People with Aids, First Step Supportive Housing, Family Self-Sufficiency Program, Home Modification Loan Program, Housing and Consumer Education Center, Housing Services Center, Common Ground Resource Center, Emergency Single Adult Shelter, Emergency Single Adult Sober Shelter, Weatherization & Heating System Assistance, South Middlesex Non-profit Housing Corporation, Lowell Transitional Living Center/Emergency Shelter, Greater Worcester Housing Connection/Emergency Shelter and Young Adult Supported Case Management and Housing Program.

**Projects in Development or Scheduled for Implementation:**

- 2032 Main St., in Palmer (New): SMOC will rehab this property and create 1 unit of low-income housing and 1 unit of commercial space.
- 73 - 75 Hollis St., Framingham (New): Refurbish and preserve 52 units of low-income housing.
- 111 Springfield Street, Chicopee (New): (50% complete) Preservation of 13 units and the creation of 3 new units of permanent affordable housing.
- 237 Chandler St., Worcester: (In process) Rehabilitate a 42,224 square-foot brick building, to full use. Components include a new ADA-compliant passenger elevator, new fire escape, new roof, upgraded electrical and upgraded IT.
- 201 Middlesex St., Lowell: (In process) Refurbishing and preservation of over 151 units of supportive housing. Planned upgrades include fire escape improvements and a new, centralized laundry facility.
- 19 Bixby Road, Spencer: (95% complete) Creation of 42 units of affordable housing for families.



- 733 Old West Warren Rd., Warren: (100% Complete) Creation of 6 units of housing for homeless adults who are in recovery
- 46 Gordon St., Framingham: (100% complete) Creation of 12 units of emergency family shelter.
- 8 Depot St., Palmer: (40% complete) Creation of 15 affordable SRO units.
- 141 Providence St., (40% complete) Worcester: Preservation of 12 SRO units for men and women in recovery.
- 226 Main St., Leominster (50% complete) Creation of 19 units of low-income housing for adults in recovery.

Since its founding 52 years ago, SMOC has grown to be one of the largest nonprofit providers of shelter, service supported and low-income housing in the state. Housing services occur in conjunction with providing integrated case management and wrap around social support programs. The real estate holdings have grown to 165 different buildings; 7 office/commercial buildings, 72 permanent affordable housing facilities, 9 single family buildings, 19 group residences/ emergency housing/shelters and 58 service enriched housing properties in 20 communities. Total number of low-income rental units owned and managed by the agency has grown to 2,019 with concentrations in the Framingham, Worcester, Springfield and Lowell regions.

In FY17, Energy Conservation Services audited and weatherized 290 homes, replaced 8,600 inefficient refrigerators and repaired 398 heating systems.

Through a strong outreach effort, SMOC's VITA program has doubled the number it serves annually. In FY17 the program served 537 individuals and 463 obtained a refund: Federal refunds totaled \$446,801, State refunds totaled \$110,618, and Earned Income Credit totaled \$196,841.

SMOC's Common Ground Resource Center in Framingham provides homeless services to approximately 1300 unique single adults annually, 40% women and 60% men.

Since 2010, SMOC's Home Modification Loan Program initiated and closed 470 loans ranging from \$1,000 to \$30,000 in the Southeast region and MetroWest regions, providing funds for individuals and families to modify their homes for a household member with a disability. Aggregate lending totals approximately \$9,400,000.

In FY17, the Family System of Care managed 80 units of congregate family shelters in six locations. We operate 129 scattered sites shelter units throughout the region. As of April 2016, SMOC is no longer contracted to provide services to homeless families in motels. In FY14 SMOC served 130 families in motels. Through our Housing Consumer Education Center we expect to assist a minimum of 2,200 individuals with housing problems and needs such as first -time Homebuyer, Foreclosure prevention and stabilization services.

**Goal 3: Sustain and create more opportunities for low income people to own a stake in their communities.**

*SMOC accomplishes this goal through these existing **Client Empowerment Programs**:* Positions on SMOC Board of Directors, Head Start Advisory Board, Peer Support Housing Model, Lowell Transitional Living Center Advisory Board and Springfield Open Pantry Community Services Advisory Board. SMOC housing programs are embedded with the "Peer Support Model." The Peer Support Model is explained in Section 5.

**New Projects Underway or Scheduled for Implementation:**

- Loan Fund Advisory Committee: (Established in 2016)
- The Framingham Business Resource Alliance (The Alliance): (Established in 2016)

**Goal 4: Sustain and increase partnerships among community providers and supporters of low income people.** SMOC has partnered with an extensive assortment of agencies and providers throughout the state during our 52 years of existence. The agency has collaborated with other subject matter experts in the field to develop and deliver an integrated system of services to low-income and disadvantaged populations. We anticipate expanding and

a strengthening these relations in 2018-2021. (Attachment E: List of Community Partners)

**Goal 5: Sustain and increase SMOC's capacity to achieve results.** *SMOC accomplishes this goal through these existing efforts:* **Sound Fiscal Practices:** For a briefing, please see Section 9. **Staff Continuing Education:** Tuition Reimbursement and an internal Continuing Education web platform "Essential Learning". **Social Enterprise Programs:** Green Jobs Academy and Ready Willing and Able. **Program and Client Data and Outcome Collection:** Please see Section 5 for a full list of data collection methods and tools. **Resource Development:** SMOC employs a staff of 4 full-time development professionals. The Resource Development Director works with SMOC's Board Fundraising Committee and coordinates with each of SMOC's six Division Managers to execute grant writing, charitable events and annual appeal activities. 90% of SMOC's Board of Directors make charitable contributions to SMOC, annually.

**New Projects Underway or Scheduled for Implementation:**

- Centralized Property Management Systems (New) In FY18, SMOC is scheduled to implement Yardi Voyager, a comprehensive and centralized property management systems, to streamline all processes pertaining to property management and better serve the housing needs of disadvantaged populations.
- Central Purchasing: To decrease costs, SMOC is creating a dedicated department and building-out a dedicated space to initiate central purchasing and storage for its programs.
- Social Impact Financing (SIF): SMOC partners with MHSA and DHCD to implement the SIF program in Metro West, Greater Lowell and Worcester County, which will move approximately 100 shelter guests to permanent housing.
- Ready Willing and Able (RWA): SMOC continues to advance RWA as an alternative staffing agency that provides homeless and chronically unemployed individuals with job readiness training through pre-employment education and employment opportunities with support in day-labor jobs within SMOC. SMOC's programs are billed for services, verses contracting work out to vendors.
- Green Jobs Academy (GJA): The social enterprises programs below provide income to support the operations of the GJA and its DOL certified training center. In doing so the revenue supports, in-part, the Installer training offered at no cost to low-income trainees.
  - DHCD Quality Control Inspection Training: Provides market rate training to Energy Auditors in the MA DOE employees, through contracts from the DHCD.
  - Building Performance Institute (BPI) Test Center (New): SMOC became an official BPI testing center in 2016. Provides market rate onsite and field testing for BPI recertification.
  - BPI Online Training and Testing Center (New): Established in 2017, this program provides market rate on-line continuing education and testing for BPI recertification.

**Goal 6: Sustain and create opportunities for low income people to achieve their potential.** *SMOC*

*accomplishes this goal through the following existing programs.* **Asset Development Programs:** Volunteer Income Tax Assistance (VITA), Individual Development Accounts (IDA's) **Emergency Assistance Programs:** Voices Against Violence, Foreclosure Prevention, Fuel Assistance (LIHEAP), Marlboro Resource Center and Open Pantry Community Services. **Child and Family Development Programs:** Head Start and Child Care, **Behavioral Health Programs:** Sage House, Serenity House, New Beginnings, Rhodes to Recovery House, Community Support Program, Family and Child Counseling Services, Behavioral Health Outpatient Services. **Access to Arts & Culture:** Community Kiln.

**New Projects Underway or Scheduled for Implementation:**

- Project Reinvest Financial Capability program (New): SMOC has partnered with the United Way of Mass Bay and Merrimack Valley to provide financial coaching for low- and moderate-income residents.
- Community Kiln (New): SMOC launched this market rate ceramic arts education program for artists in MetroWest all ages, abilities, backgrounds and incomes, including the disadvantaged and the homeless. SMOC is seeking resources to provide scholarships for SMOC clients and low-income and disadvantaged community members.

In FY18, the Fuel Assistance program expects to provide heating assistance to over 6,000 households. The Rental Assistance Program expects to help 2,000 families keep stay housed.



In FY18, SMOC Behavioral Healthcare outpatient clinics expect to host 90,000 across all modalities. The Child & Family program expects approximately 875 of its families will be served at home. Voices Against Violence expects to provide 120 counseling sessions and 300 court advocacy encounters. Substance Abuse Residential programs expect to help 250 individuals address their recovery. In FY18, the Child Care program expects to educate and nurture 460 children. The Head Start program expects to educate and nurture 417 preschool children and their families.

**Goal 7: Sustain and create food security opportunities for low-income people.** *SMOC accomplishes this goal through the following existing programs: Nutrition Education, Food Pantry and Community Meals Programs:* Women Infants, and Children (WIC), Loaves and Fishes in Springfield, Supplemental Nutrition Assistance Program (SNAP), Emergency Food Pantry, Springfield, Community Meals, Lowell, and Head Start, Food and Nutrition Community Roundtable: and a new Food Security and Nutrition Education program.

**New Projects Underway or Scheduled for Implementation:**

- Food Security and Nutrition Education program (New): SMOC replaced its MetroWest Harvest program with a new Food Security and Nutrition Education program, led by an experienced Nutritionist. This program provides our homeless families and individuals residing in our transitional housing with 1:1 consultations and group nutrition, meal planning and interactive cooking demonstrations. Through this education clients can wisely choose and use the resources that they have to produce healthy meals for themselves and their families. The Community Meals program continues under this program, providing congregate meals for individuals and families residing in our emergency shelter, monthly.

In FY17, SMOC's WIC program ranked 4th highest of the 31 WIC programs in MA, in serving its state-assigned caseload. The FY17 WIC Total Caseload Management Report showed the Framingham/Waltham WIC program is serving 4,380 individuals or 96.43% of its state-assigned caseload. Currently, almost 12,000 of SMOC's clients receive SNAP. Community Meals Program in Lowell served approximately 995 individuals over 77,000 meals. Head Start/Child Care Family Nutrition provided approximately 75,000 lunches to the children that it serves.

## **SECTION 5: HOW SUCCESS WILL BE MEASURED AND EVALUATED**

SMOC is an outcome based performance management agency and implements tools to evaluate agency, program and individual client performance. Agency wide, SMOC completed its first joint DHCD/Northeast Institute for Quality Community Action (NIQCA) in May 2013. SMOC fully met the NIQCA organizational management and governance Best Practice Operating Standards. SMOC utilizes the nationally recognized Results Oriented Management Accountability (ROMA) methodology, as articulated by DHCD, to set standards for projecting, measuring and reporting outcomes. All SMOC program directors utilize ROMA methodology in their 6-month and annual progress reports to DHCD.

On a programmatic and individual client level, SMOC utilizes qualitative and quantitative processes to evaluate program performance. Quantitatively, SMOC utilizes 13 different web based data collection tools required by federal state or foundation funders and in combination with SMOC's internal data base Octopia™. For all programs, through a formal intake and data collection process, SMOC collects baseline, progress and outcome information and data for program participants. Data count is unduplicated and is compiled for the duration of the clients' participation in a SMOC program. Depending on program model or funder, for clients, data is collected from 3 months to 2 years, upon exit of the program.

### **Quantitative Processes**

Data Bases utilized: Efforts to Outcomes (ETO): Utilized by SMOC family homeless programs, required by MA DHCD. Clarity required by MA DPH. Timberline: Utilized by SMOC housing programs to track property management functions. Tracker: Utilized by SMOC rental assistance programs to calculate and record payment. Empowerdb™: Utilized by SMOC Voices Against Violence program. Rocket: Utilized by SMOC Behavioral Healthcare programs for scheduling and billing. Child Outcome Planning and Administration (COPA): Utilized by Head Start and Child Care.



Virtual Gateway: Utilized by SMOC programs funded by the MA Rehabilitation Commission.

Some of SMOC's programs do not require or utilize specific data base collection tools. For these programs SMOC uses an internal database collection tool, Octopia™, a multi-program web-based software product that enables staff to collect, track, report and share data amongst all its affiliates. Octopia™ captures client intake, referral, service participation, outcome, and case management information. Octopia™ provides aggregate and individual client reports which assist in assessing program and client performance. Furthermore, to insure universal unduplicated data collection on all SMOC program participants, data from all the aforementioned data base systems is entered into Octopia™. Octopia™ qualifies and filters data to record accurate program participation and progress collected and measured for unduplicated individuals.

### **Qualitative Processes**

Focus groups, peer groups and satisfaction surveys are institutionalized in the development and review of all our programs. Routinely, SMOC conducts focus groups to obtain feedback from program participants and stakeholders regarding program quality, process and performance. In the early stages of the Secure Jobs Program, SMOC brought together homeless or formerly homeless heads of household clients, town officials and representatives from MassBay Community College, United Way of Tri County, Natick Social Services Council and the Firemen Foundation to evaluate the program rollout. The Peer Support Model is embedded in SMOC's low-income and supported housing programs. This model fosters a culture of community input, support and accountability. Residents of the houses pay an affordable rent, sign a lease, help maintain the cleanliness within the houses, hold weekly residents' meetings, and participate in substance-abuse programs such as Alcoholics Anonymous and Narcotics Anonymous (AA/NA). One resident serves as Resident Manager and serves as a coordinator of house activities and as a liaison for two-way communication with the Housing Coordinator on matters such as maintenance, landscaping, house rules, behavioral matters. All of SMOC's education programs utilize post-class completion satisfaction surveys to obtain feedback from class participants regarding class content and quality, including the GJA skills training and Job Readiness Workshops. Client feedback is very critical in shaping and evaluating our classes. All data is entered in to Octopia™.

## **SECTION 6: COLLABORATIVE EFFORTS TO SUPPORT IMPLEMENTATION**

SMOC's collaborative relationships, programs and efforts are many. SMOC presents three examples of such to illustrate SMOC's reach, breadth and extent of our partnerships in the planning, execution, evaluation and funding of our programs.

**Greater Worcester Housing Connection:** In March of 2004, at the request of City officials, SMOC affiliated with the Worcester People in Peril Program, Inc. (PIP) emergency shelter located at 701 Main Street. At the time the PIP provided programs and services to the homeless, including those with active substance abuse and the mentally ill. This was the beginning of the partnership between SMOC and the City which focuses on a shared goal of ending homelessness in the City of Worcester. Through its role in managing the shelter, SMOC was delegated to participate on the then City Manager, Michael O'Brien's *Task Force on Homelessness*, along with city officials and community based organizations. The goal of the task-force was to examine the current system and improve homeless services. The findings were published in the *3-Year Plan to End Homelessness in Worcester*, (2007). The recommendations directed the city to convert its homeless services from emergency shelter to a Housing First model. The priorities and action plan to implement a Housing First program were articulated city's "*5-Year Consolidated Plan*" (2010). In 2010 the PIP emergency shelter was shuttered and replaced with the Greater Worcester Housing Connection (GWHC). GWHC is a Housing First program consisting of three integrated programs a Triage/Assessment Center located at 25 Queen Street which provides short-term emergency housing and daily meals for 40 homeless individuals. The 2<sup>nd</sup> component is 500 low-income housing units located in and around the City of Worcester. GWHC rapidly rehouses homeless single adults as quickly as possible, immediately provides case management services as well as linkages to wrap around support services to facilitate stabilization and support self-sufficiency. The third component is a Workforce Development Academy located at 237 Chandler Street, in the Martin Luther King, Jr. Opportunity Center



(MLKJ-OC) building. SMOC partnered with the City, the United Way of Central MA, MA DHCD, Stoddard Foundation, Health Foundation of Central MA, Country Bank for Savings, MassHousing, MA Department Public Health to fund Greater Worcester Housing Connection. SMOC owns and operates the programs and facilities that comprise the Greater Worcester Housing Connection. In FY16 GWHC provided emergency shelter for 1,194 homeless single adults (348 females); placed over 480 adults in permanent housing, and continues to support those housed in maintaining tenancy. In recent years, the percentage of women requiring emergency shelter has grown from 15-20% to 30-40%. This fall the shelter will reconfigure space in the building and create a new unit for women on the 2<sup>nd</sup> floor.

**2. Framingham Collaboration:** On a local level, SMOC partners with the Town or City Council, City Manager, Police Department, Mayor and Board Committees to carry out community and economic development objectives of the community. As an example, in Framingham, SMOC has a unique partnership with the town to support public safety, downtown revitalization and job creation. SMOC donates retail space on the first floor of its recovery program located downtown at 75 Hollis Street, a 100 year old structure known as the Winthrop Building. The space is occupied by a substation of the Framingham Police Department and the office of Framingham Downtown Renaissance, Framingham's Main Street revitalization program. Framingham Downtown Renaissance is providing grass roots organization to the business community to develop new restaurants and shops in the community. SFS provides microloans and pre-and post-technical assistance, additional tools the town can access for economic development.

**3. Scattered Sites:** According to the DHCD EA Monthly Report, Statewide Summary June 2014, there are currently 41 homeless families sheltered in MA motels. This number is down drastically from the 4,733 families living in motels in 2014 due to collaborations with agencies such as SMOC and DHCD to provide more emergency transitional housing through the Scattered Sites model and DTA who provide emergency housing vouchers concur. Scattered Sites are temporary apartment placements in the community. SMOC currently oversees 129 units of Scattered Site emergency shelter units for families in Framingham, Ashland, Marlborough, Worcester and Milford. Scattered Site placement includes a focus on the head of household finding employment to support a permanent housing placement. SMOC partners with local food banks, local employers, local schools, Employment Training and Resources, One Stop Career Center, churches and volunteers to assist these families in obtaining basic needs, connect to health care, enrolling children in school, obtaining employment and obtaining permanent housing, within one year. A Case Manager coordinates all of these connections, including transportation. In addition, SMOC has developed strong linkage and referral systems for primary care referrals with partners including the Edward M. Kennedy Community Health Center, the MetroWest Free Medical Program, Southborough Medical Group, MetroWest Medical Center, V Care Pharmacy in Framingham and SMOC Behavioral Healthcare.

## **SECTION 7: INTEGRATION OF ACTIVITIES/CONSISTENCY WITH COMMUNITY STRATEGY AND VISION**

As a participant on community boards, SMOC integrates and implements community and economic development priority goals developed by local, municipal, regional and statewide planning entities. Historically, and by federal mandate, SMOC has been an advocate and activist agency for low income populations.

- In 1985, SMOC convened the *MetroWest Area Homeless Task Force*, consisting of local community based organizations and town leaders to examine the growing issue of homelessness within its jurisdiction. At the time the focus was on emergency shelter. With the recognition that lack of affordable housing was the number one factor in low-income populations becoming homeless or being at-risk of homelessness, SMOC began converting its emergency homeless services to a Housing First Model.
- In 2006, MA instituted a *Special Commission Relative to Ending Homelessness in the Commonwealth*. SMOC played a significant role in its leadership. Its findings recommended a paradigm shift in homeless services statewide, away from emergency shelter-oriented to prevention-oriented, rapid-rehousing and permanent housing.
- In 2008, Governor Deval Patrick established the *Interagency Council on Housing and Homelessness* consisting of a cross section of state agencies and community based organization to carry out its recommendations and to



overhaul the state's homeless services from emergency shelter to the Housing First, model in 10 regions of the Commonwealth. SMOC's Executive Director and administrators, then and now hold seats on the regional councils in SMOC's service regions.

On the local and regional levels SMOC has been asked by several municipalities to help solve the complicated and daunting community issue of homelessness. This assistance typically began with local officials contracting with SMOC to manage their existing emergency shelters, which were struggling. Then, as a local provider, SMOC sat on the local task forces commissioned to end Homelessness. Subsequently, the local programs affiliated with SMOC as subsidiaries.

- Beginning in 2006, SMOC has assisted the City of Worcester in coordinating the closing the People in Peril Emergency Shelter, and set in place the infrastructure and support programs to operate a Housing First program, the outgrowth of *Worcester's 3-Year Plan to End Homelessness* (2007). This effort is fully described in Section 6.
- In 2009, SMOC affiliated with Open Pantry Community Services of Springfield, which operates a number of social service programs including a food pantry in the Springfield area. This program supports the City's *10-Year Plan to End Homelessness* (2007).
- In 2013, SMOC affiliated with Lowell Transitional Living Center (LTLC), which provides food, shelter and programs for low-income and homeless individuals in Lowell. Though this partnership SMOC assisted Lowell in enacting the *10-Year Plan to End Homelessness* (2008).

SMOC works with numerous planning entities that oversee, develop and prioritize community and economic development projects which benefit low-income people. These boards and specific plans are listed below.

- *Greater Worcester Area Comprehensive Economic Development Strategy* (2012) prepared by the Central MA Regional Planning Commission (CMRPC).
- *Worcester's Consolidated Submission for Community Planning and Development* (2010-2015), prepared by the City Manager's Executive Office of Economic Development
- *Strategic Plan Update 2010-2015* prepared by the Metropolitan Area Planning Council: MetroWest Growth Planning Committee
- Pioneer Valley Planning Commission: *Our Next Future: An Action Plan for Building a Smart, Sustainable and Resilient Pioneer Valley* (2014)
- Northern Middlesex County of Governments: *Greater Lowell Comprehensive Economic Development Strategy 2010-2013 Update*

These plans contain community and economic development goals, as listed below:

- ✓ Increase access and availability of affordable housing and foreclosure prevention services.
- ✓ Develop SRO units in support of local ending-homelessness initiatives.
- ✓ Increase housing rehabilitation and preservation, homeless assistance and prevention services and housing and support services.
- ✓ Expand economic opportunities for populations normally excluded from the economic mainstream.
- ✓ To provide for the gap lending and microfinancing to enable start-up companies to gain the technical assistance necessary to begin work.
- ✓ To provide incubator and business technical skills training with a focus on assisting business in the poorer neighborhoods of the region to ensure a greater rate of success.
- ✓ To provide an array of workforce development initiatives for low-income people.

## **SECTION 8: FINANCING STRATEGY**

According to SMOC's FY16 Audit indicates our revenues were \$85,561,873, with total expenses \$85,031,618, essentially break even. SMOC's fiscal strength and capacity comes from the diversity of our programs, which are all mission-oriented to help meet our clients' needs in order to help them become more self-sufficient and productive members of society. In FY16 SMOC managed \$69,999,427 in federal, state and local contracts for funding. Through



the Housing Corporation, SMOC incurs earned revenue from real estate development, rental property income and sub-lease income which contributes to the sustainment of our housing programs. In FY16, SMOC received over \$6,990,897 in rental revenue. Seven years ago, the agency chose to prioritize and expand resource development activities. Under the leadership of an experienced Director of Resource Development, SMOC has garnered considerable new support and increased income from individual donors, foundation, corporations, events and annual appeal benefiting SMOC various programs. In FY17, SMOC received more than \$1.7M in revenue from foundations, corporations, individual donors, special events and United Way Organizations in four regions of the state. Many existing corporate and individual donors would qualify for CITC Program Tax Credits. SMOC's goal is to work with and expand its solid and growing base of existing donors to utilize \$150,000 of Tax Credits, should DHCD chose to grant us this allotment and raise \$300,000 in revenue to fund new programs presented in this CIP plan, as well as to fund our existing programs.

SMOC's affiliates, Lowell Transitional Living Center and Open Pantry Community Services in Springfield are significantly reliant and successful at raising funds to support its programs from the community.

- In FY17, Open Pantry Community Services budget was \$3.2. That year, OPCS successfully raised \$461,123 from donors, grants and fundraising events to support its operations.
- In FY17, Lowell Transitional Living Center's budget was \$1.65M. That year, LTLC successfully raised more than \$284,000 from donors, grants and fundraising events to support its operations.

The capacity to develop low-income property requires a development model with grants and low interest financing to keep housing affordable for individuals, at or below 30% of the area median income. For more than 20 years, SMOC's Housing Corporation has partnered with the MA Department of Housing and Community Development, the Massachusetts Community Economic Development Assistance Corporation, HUD, Federal Home Loan Bank as well as local banks for grants and low-interest loans.

The size of our organization helps us to leverage our costs over a larger base when compared to other nonprofits, also helping us to continue to obtain grants, contracts and attract donations from many sources. For example, our current administrative cost rate is 11%.

The diversified Net Assets (balance sheet) of the Corporation consist of real estate assets comprising almost 1,975 rental units spread throughout the Commonwealth of MA (MetroWest, Worcester, and Springfield regions), various highly collectible receivables (that is, these are all expected to be collected within 30-90 days) mostly with the Commonwealth, and healthy positive cash balances.

SMOC is in good standing with the MA Department of Revenue, the Commonwealth of MA Office of the Attorney General and the Commonwealth of MA Secretary of the Commonwealth, having met all of our legal and contractual obligations in a timely manner since the inception of the Corporation.

SMOC is audited annually in accordance with generally accepted auditing standards in the United States; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, OMB Circular A-133 and OMB's Compliance Supplement for Audits of Institutions of Higher Education or Other Non-Profit Organizations; and provisions of the UFR Auditor's Compliance Supplement issued by the Commonwealth of MA Executive Office for Administration and Finance, Operational Services Division. Those standards, circulars, supplements or guides require that the audit be performed to obtain reasonable assurance about whether the financial statements are free of material misstatements whether caused by error, fraudulent financial reporting or misappropriation of assets. The most recent audits have resulted in unqualified opinions with no material findings noted.

In addition to reporting on South Middlesex Opportunity Council, Inc. and SMOC affiliates' financial statements, the following types of reports are issued with the same level of independent auditor responsibility as is assumed for financial statement reports:

- A supplementary report on the fairness of the presentation of the organization's Schedule of Federal Awards;
- Audit of the organization's Uniform Financial Statements and preparation of the Uniform Financial Report (UFR) for the Commonwealth of MA;
- Reports on compliance with statutory, regulatory and contractual matters that meet the requirements of the Government Auditing Standards and the requirements of the OMB Circular A-133 and the requirements of the UFR Auditor's Compliance Supplement issued by the Commonwealth of MA Executive Office for Administration and Finance, Division of Purchased Services, dated June 1994.
- A combined report on the organization's internal control structure and controls used in administering Federal award programs that meet the requirements of Government Auditing Standards and the requirements of the OMB Circular A-133.

SMOC's documented processes and procedures are reviewed and tested by our public accounting and independent auditing firm, Mayer, Hoffman, McCann P.C, a national accounting firm with an extensive non-profit auditing and tax practice. The processes and procedures reviewed include: revenue and billing system, purchasing system, payroll system, cash receipts and disbursements procedures, invoicing/payables system and IT system. Mayer, Hoffman, McCann P.C has not noted any material or significant findings as a result of their testing.

#### ***Strategies Going Forward:***

As presented, SMOC's fundraising strategies have produced a growing base of individual and corporate supporters that would qualify for Community Investment Tax Credit Program. We have presented evidence that an allocation of \$150,000 to SMOC would significantly help SMOC raise \$300,000 in revenue to fund new programs presented in this CIP plan, as well as to fund our existing programs. Furthermore, SMOC's ability to raise and utilize the tax credits is feasible.

Going forward, SMOC management team will continue to utilize a strategic budget planning process that includes all Divisions, Administration and Finance and the Senior Management Team working together to construct the agency's respective budgets and the strategic initiatives to shape the operating framework for each fiscal year. For FY18 SMOC revenue is projected at \$97,811,046 and expenses at \$98,049,816. (Attachment G: SMOC's FY18 Budget) SMOC's financing strategy is to continue to partner with federal, state and local entities for contracts to fill housing and programmatic needs in the communities we serve. The Housing Corporation will continue to add developments that have solid funding for implementation and ongoing operations. The Director of Resource Development, will continue to focus on increasing grant, foundation, corporate and individual donation levels through agency wide and program specific fundraising efforts. A few of these efforts are listed below:

- Voices Against Violence: Annual Walk to Break the Silence: Raised more than \$18,000 in FY17
- Annual Charity Golf Tournament: Raised more than \$52,000 in FY17
- Evening of Giving (Benefit for Roland's House in Marlborough: Raised more than \$30,000 in FY17
- Open Pantry Community Services: Raised more than \$91,000 through three appeals in FY17
- Lowell Transitional Living Center: Steps to Home Annual Walkathon: Raised more than \$36,000 in FY17.

#### **SECTION 9: HISTORY, TRACK RECORD AND SUSTAINABILITY**

In almost 52 years of operation, SMOC has grown its community and economic development programs to include 11 wholly owned subsidiaries South Middlesex Non-Profit Housing Corporation; Framingham Community Land Trust; South Middlesex Opportunity Properties, Inc.; Worcester Public Inebriate Program, Inc.; PIP Foundation, Inc.; Open Pantry Community Services, Inc.; Freedom Village, Inc.; The Martin Luther King Jr., Business Empowerment Center, Inc.; Chandler Street 237 Realty; and, Lowell Transitional and Living Center.

SMOC's existing and proposed community development and economic development projects presented throughout this CIP, demonstrate our track record, past practices and approaches to financing that have been involved in the growth of our agency.

The following example illustrates in detail SMOC's consistency with the Commonwealth's Sustainable Development Principles including Concentrate Development and Mix Uses; Advance Equity; Make Efficient Decisions; Protect Land and Ecosystems; Use Natural Resources Wisely; Expand Housing Opportunities; Provide Transportation Choice; Increase Job and Business Opportunities; Promote Clean Energy; and Plan Regionally.

### **Redevelopment of 237 Chandler Street, Worcester Massachusetts**

#### **The Martin Luther King, Jr. Opportunity Center Building**

The Martin Luther King, Jr. Opportunity Center (MLKJ-OC), formerly known as the Martin Luther King, Jr. Business Empowerment Center, became a subsidiary of SMOC almost seven years ago. The merger between MLKJ-OC and SMOC was a strategic partnership intended to strengthen and grow MLKJ-OC Business Technical Assistance services. SMOC established SMOC Financial Services, a microloan fund, which has grown to now provide microloans and pre- and post-business technical assistance to low-and moderate income entrepreneurs and entrepreneurs located in low-income census tracts in Worcester County and to the MetroWest region.

SMOC purchased the MLKJ-OC building in 2012 for \$250,000. It is a partially renovated, old (1800's), 42,224 sf<sup>2</sup> brick manufacturing building, formerly owned by New England Envelope Company. SMOC's goal is to bring the MLKJ-OC building to full use through rehabilitation. The total project cost is \$1,320,000.00. SMOC has made extensive interior renovations to the first floor of the building. The building has a new roof, new HVAC system and new electrical, new IT, updates to the egress, improvements to the parking lot, sidewalk, building façade and landscaping. A new elevator will be installed in FY18, that will make the building fully ADA accessible.

SMOC's Greater Worcester Housing Connection (GWHC) is an anchor tenant, with the first floor housing its offices, case management services and support services. The GWHC is fully described in Section 6. As described SMOC created 500 newly developed low-income housing units for this program. The housing units are strategically placed in and around the City of Worcester

SMOC moved its Weatherization Training Lab from a temporary location in Framingham, to the 2<sup>nd</sup> floor of the MLKJ-OC building in 2013. The training lab is a US Department of Energy (DOE) qualified facility and program, known as Green Jobs Academy (GJA). The GJA is a statewide workforce development resource with a dual business model: to assist low-income un/under employed population in obtaining jobs with a living-wage and a career ladder in the weatherization industry, and, to provide utility companies and contractors with cutting edge continuation education. The GJA was established with \$950,000 in grants by the DOE and the US Department of Labor (DOL).

Since 2010, 316 low-income/unemployed have graduated; 252 placed in permanent jobs as Installers. The GJA has over 200 employer partners to provide OTJ training, mentoring and job placement. SMOC solicits qualified referrals from long standing relationships from the Worcester Community Action Council, Workforce Central, Central MA One Stop Career Center, The Worcester Chamber of Commerce, Central MA Regional Planning Board WCCC, Centro Las Americas, YMCA, YWCA, Catholic Charities, Worcester Interfaith, Lutheran Social Services and the DTA.

The basic premise of SMOC's workforce development program is to offer job readiness and skills training combined with case management services. This is known as a "supportive educational model" designed to give unemployed and underemployed individuals the supports and resources they need to fulfill the requirements of an educational program and the day-to-day demands of a job.

As transportation is often a barrier, through a grant from the Amelia Peabody Charitable Foundation, SMOC has implemented an innovative transportation program dedicated to GJA trainees. GJA has two passenger cars that SMOC



program participants can utilize, most often carpooling, on a daily basis to attend on-the-job training (OJT). During the training period, trainees participate in a Money Management class with focus on saving for and financing an automobile.

In the past four years, the GJA has formed relationships with over 200 employer partners, statewide. Some employer partners have agreed to serve as advisors for the GJA program. Through the Memorandum of Understanding process, 74 employers have agreed to provide OJT placements and job placements. GJA employer partners depend on GJA for qualified graduates to fill available positions and to expand their businesses, thus meeting the demand for energy conservation and efficiency services and expanding the industry in the state.

As an enterprise, GJA holds contracts with utility companies to provide their staff with current up-to-date continuing education, thus ensuring that their staff is providing quality cutting edge service. SMOC has earned this status, by obtaining accreditation through Interstate Renewable Energy Council (IREC) and becoming an official Building Performance Institute (BPI) Test Center and on-line provider of BPI continuing education and testing for recertification. IREC leads national efforts to ensure that the clean energy workforce is highly skilled and trained to meet employer needs. BPI is the nationally accepted standard organization for the weatherization retrofit and energy efficiency industry.

SMOC's GJA is the only IREC accredited training facility in New England. To date 322 individuals trained as Crew Chiefs, 79 trained as Quality Control Inspectors, 310 trained in Combustion Safety, 106 in ASHRAE 62.2, 93 in Advanced Blower Door, 86 in OSHA30 Safety, 392 in OSHA10 Safety, 289 in RRP Lead Renovation, 348 in Lead Safe Weatherization, 97 in OSHA Confined Spaces, and 74 in RRP Lead Refresher, 80 Duct Sealing & Insulation. This tuition income is dedicated to the operations of the GJA and contributes to its self-sufficiency and sustainment.

#### *1st Floor: MLKJ-OC*

SMOC's GWHC is an anchor tenant, with the first floor housing its offices, case management services and support services and a reception area. SMOC Financial Service office is also located on the first floor along with the Business Resource Center library and computer equipped drop-in center.

#### *2nd Floor: MLKJ-OC*

Currently, the second floor has been partially built out for SMOC's Green Job Academy training laboratory. The remaining space on the second floor will be built out for the new rental spaces. The second floor will become handicapped accessible upon the installation of a new elevator this year. Other renovation project will involve the installation of new windows, upgrade of the heating system and expansion of the men's and women's lavatories.

In preparing for the MLKJ-OC development project SMOC participated and consulted with regional planning entities. The MLKJ-OC project enacts the initiatives and priorities of the City of Worcester, Executive Office of Economic Development. MLKJ-OC is located within the Pleasant/Chandler Streets Commercial Revitalization Districts. This is one of nine Commercial Revitalization Districts in the City approved by DHCD. The project is also located within the Chandler Street Neighborhood Revitalization Strategy Areas. This is one of five Neighborhood Revitalization Strategy Areas in the city approved by the HUD. The MLKJ-OC building renovation project is cited on Page 105 of the *Greater Worcester Area Comprehensive Economic Development Strategy* (2012) developed through the Central Massachusetts Regional Planning Commission. The renovation project enacts goals and priorities of the plan.